

Northfield Township Food Pantry

Glenview, IL

Annual Financial Report

Thirteen Month Period Ended March 31, 2022



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NORTHFIELD TOWNSHIP FOOD PANTRY
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Independent Auditor's Report

Board of Directors
Northfield Township Food Pantry
Glenview, Illinois

Opinions

We have audited the accompanying basic financial statements of the Northfield Township Food Pantry (the Pantry), as of and for the 13 month period ended March 31, 2022, and the related statements of activities, functional expenses, and cash flows for the 13 month period then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Northfield Township Food Pantry, as of March 31, 2022, and the respective changes in its net assets and its cash flows for the 13 month period then ended in accordance with accounting principles generally accepted in the United States.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Pantry and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Pantry's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

As discussed in Note 1, these basic financial statements present only the Northfield Township Food Pantry and are not intended to present fairly the financial position and changes in financial position of Northfield Township, in accordance with accounting principles generally accepted in the United States.

Wipfli LLP

Wipfli LLP
Aurora, Illinois
October 4, 2022

NORTHFIELD TOWNSHIP FOOD PANTRY
Statements of Financial Position
March 31, 2022

	<u>2022</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 1,794,126
Inventory - gift cards	<u>106,738</u>
Total Assets	<u>\$ 1,900,864</u>
LIABILITIES AND NET ASSETS	
Current Liabilities	
Accounts payable	\$ 31,385
Due to township	<u>543</u>
Total Liabilities	<u>31,928</u>
Net Assets	
With donor restrictions	1,673
Without donor restrictions	<u>1,867,263</u>
Total Net Assets	<u>1,868,936</u>
Total Liabilities and Net Assets	<u>\$ 1,900,864</u>

See accompanying notes to financial statements

NORTHFIELD TOWNSHIP FOOD PANTRY
Statements of Activities
For the thirteen month period ended March 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenues, Gains, and Other Support			
Contributions			
Donations	\$ 687,679	\$ 3,000	\$ 690,679
Intergovernmental	102,159	5,000	107,159
Fundraising	-	-	-
Unrestricted grant	76,000	-	76,000
Other	604	-	604
Net assets released from restrictions	6,327	(6,327)	-
Total Revenues, Gains, and Other Support	872,769	1,673	874,442
Expenses			
Program services	547,886	-	547,886
Management and general	147,825	-	147,825
Fundraising	3,491	-	3,491
Total Expenses	699,202	-	699,202
Change in net assets	173,567	1,673	175,240
Net assets, beginning of year	1,693,696	-	1,693,696
Net assets, end of year	\$ 1,867,263	\$ 1,673	\$ 1,868,936

See accompanying notes to financial statements

NORTHFIELD TOWNSHIP FOOD PANTRY
Statements of Cash Flows
For the thirteen month period ended March 31, 2022

	<u>2022</u>
Cash flows from operating activities	
Change in net assets	\$ 175,240
Changes in operating assets and liabilities	
(Increase) decrease in prepaid expenses	560
(Increase) decrease in inventory - gift cards	(44,350)
Increase (decrease) in accounts payable	<u>(7,022)</u>
Net cash used by operating activities	<u>124,428</u>
Net increase in cash	124,428
Cash and cash equivalents, beginning of year	<u>1,669,698</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,794,126</u></u>

See accompanying notes to financial statements

NORTHFIELD TOWNSHIP FOOD PANTRY

Statements of Functional Expenses

For the thirteen month period ended March 31, 2022

	2022			
	Program Services	Management and General	Fundraising	Total Expenses
Bank and credit card fees	\$ -	\$ 6,347	\$ -	\$ 6,347
Education and training	-	6	-	6
Equipment	-	10,554	-	10,554
Food purchases	428,609	-	-	428,609
Fundraising	-	-	3,491	3,491
Holiday programs	119,277	-	-	119,277
Insurance	-	240	-	240
Improvements	-	2,831	-	2,831
Legal and audit	-	4,884	-	4,884
Materials Handling	-	341	-	341
Miscellaneous	-	921	-	921
Outreach and promotions	-	5,890	-	5,890
Postage and mailing	-	1,804	-	1,804
Printing and photocopying	-	1,034	-	1,034
Rent	-	20,500	-	20,500
Repairs and maintenance	-	1,534	-	1,534
Salaries	-	65,000	-	65,000
Software and IT support	-	2,675	-	2,675
Special assistance	-	3,328	-	3,328
Supplies	-	12,276	-	12,276
Utilities	-	7,660	-	7,660
Total expenses	\$ 547,886	\$ 147,825	\$ 3,491	\$ 699,202

See accompanying notes to financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Description of Organization

The Northfield Township Food Pantry (the Pantry) was started close to 50 years ago to assist Township residents who are unable to provide enough food for themselves and their families.

In April 2003, the Pantry became a 501(c)(3) organization and an agency of the Greater Chicago Food Depository and has since received recognition awards from the Depository three times. Today many hundreds of Township families are eligible to visit the Pantry to receive perishable and non-perishable food items and grocery store cards monthly. Today many hundreds of township families are eligible to visit the Pantry to receive perishable and nonperishable food items and grocery store gift cards monthly. Moreover, additional distributions of food items and grocery store gift cards occur three times a year around certain major holidays.

The pantry believes that hunger is unacceptable in our community. With the support of neighbors, civic organizations, schools, businesses, and the faith community we come together to make a difference for residents struggling with food insecurity. No tax dollars are used to support the pantry. The Pantry is sustained by residents, civic organizations, schools, businesses, and the faith community who generously donate food items, grocery store cards and cash. Volunteer labor does the clear majority of Pantry work.

The Pantry's mission is simple: Hunger is Unacceptable in Our Community.

The Pantry is an Illinois not-for-profit corporation and is governed by a six-member board appointed by the Township Board. The facility that houses the Pantry is owned by the Township.

The significant accounting policies of the Pantry are presented below to assist the reader in evaluating the financial statements.

b. Basis of Accounting and Financial Statement Presentation

The accompanying financial statements have been prepared using the accrual method of accounting in accordance with generally accepted accounting principles and accordingly reflects receivables, payables, and other liabilities.

The Pantry is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net assets without donor restrictions – Net assets that are not subject to donor-imposed restrictions.

Net assets with donor restrictions – Net assets subject to donor or grant-imposed restrictions that may or will be met either by actions of the Pantry and/or the passage of time. Other donor or grantor restrictions may require the Pantry to permanently maintain net assets and may permit the Pantry to use all or part of the income earned on related investments for general or specific purposes.

Contributions received are recorded as support with or without donor restrictions depending on the existence or nature of any donor or grantor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Pantry considers all interest earning savings accounts and checking accounts to be cash equivalents.

d. Advertising

The Pantry records advertising expenses when incurred. For the 13 month period ended March 31, 2022, the Pantry had total advertising costs of \$5,890.

e. Revenue Recognition

Revenues are reported as increases in net assets without donor restrictions unless the use of related assets is limited by donor-imposed restrictions. The Pantry does not currently report any net assets with donor restrictions. The Pantry does not receive have any material exchange transactions. Expenses are reported as decreases in net assets with or without donor restrictions as appropriate.

f. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

2. AVAILABILITY AND LIQUIDITY

The following represents the Pantry's financial assets at March 31, 2022:

	<u>2022</u>
Financial Assets at Year End:	
Cash and Cash Equivalents	<u>\$ 1,794,126</u>
Total Financial Assets	<u>1,794,126</u>
Less amounts not available to be used within one year:	
Net Assets with Donor Restrictions	<u>-</u>
	-
Financial Assets Available to Meet General Expenditures over the Next Twelve Months	<u>\$ 1,794,126</u>

The Pantry maintains financial assets to meet 90 days of operating expenses.

3. OPERATING LEASE

The Pantry's facility is owned by the Township and the Township is responsible for all building operating expenditures. The lease calls for the Pantry to make payments to the Township in the amount of \$6,625 per quarter. Total rent paid the Township for the thirteen month period ended March 31, 2022 was \$20,500.

4. TAX-EXEMPT STATUS

The Pantry is a not-for-profit corporation as described in Section 501(c) (3) of the Internal Revenue Code (the Code) and is exempt from Federal income taxes on related income pursuant to Section 501(a) of the Code. No provision for income taxes is necessary since there is no significant unrelated business income for the fiscal year end.

The Pantry has evaluated its tax positions for all open years. Currently, the tax years open and subject to examination by the Internal Revenue Service are 2019, 2020, and 2021 tax years. However, the Pantry is not currently under audit nor has it been contacted by any jurisdiction. Based on the evaluation of the Pantry's tax positions, management believes all tax positions taken would be upheld under examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for the fiscal year ended.

5. RELATED PARTY TRANSACTIONS

The Pantry enters into various transactions with the Township, as described in Note 1 and Note 3.

6. CONCENTRATION OF CREDIT RISK

The Pantry maintains a bank account at Northview Bank & Trust, which is part of the MaxSafe program. Accounts at the institution are insured up to \$3,750,000 by the Federal Deposit Insurance Corporation (FDIC). As of March 31, 2022, the Pantry's bank balances were fully insured.

7. DONATIONS

The Township Pantry Fund receives several tons of donated food from the community each year to help stock its Food Pantry. The Township does not have the resources available to determine the value of these donations, and no amount has been reported on the financial statements for them.

8. SUBSEQUENT EVENTS

The Township Pantry has evaluated events and transactions for potential recognition or disclosure in the financial statements through August 31, 2022, which is the date the financial statements were available to be issued. There were no subsequent event type items identified by management, that are required to be disclosed.